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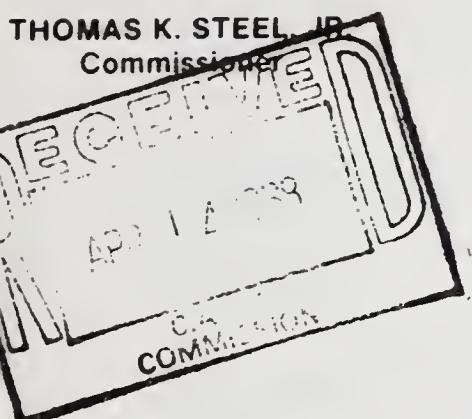
THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE FOR CONSUMER AFFAIRS

COMMUNITY ANTENNA TELEVISION COMMISSION

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September 15, 1982

CABLE REPORT

I. Accomplishments

Cable Commission Reorganization

Chapter 670 of Acts of 1979 went into effect on November 1, 1979 and provided for a restructuring of the Commission by creating a full-time single Commissioner in place of the previous seven member part-time Commission. This legislation has been instrumental in effecting more efficient state regulation of the cable industry.

New Licensing Regulations Adopted

On November 23, 1979, the Commission adopted new and significantly more streamlined procedural rules for the granting of cable television franchises in the Commonwealth. These regulations, 207 CMR 3.00, replaced an earlier set of regulations which in many instances were too cumbersome and burdensome on Massachusetts municipalities. These rule changes have demonstrably facilitated the franchising process for cities and towns.

Review of Dormant Franchises

The Commission undertook a review and investigation of all dormant or unstructured cable franchises in the Commonwealth. One franchise was revoked for several reasons, chief among them, the failure to construct the system. The three (3) month review served to clarify the franchise situation in the Commonwealth.

Suspension of Rate Regulation

In June of 1979 the Legislature of the Commonwealth amended the statute concerning cable television (G.L. c166A, §5) to provide that " the Commission may after due hearing



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and investigation, suspend regulation of rates and charges in any cable television system upon a finding that adequate competitive alternatives exist to the provision of services offered by cable television systems." (See Chapter 249 of the Acts of 1979). On December 21, 1979 the Commission issued a Notice of Inquiry entitled Competitive Standard

Inquiry. Through the document the Commission requested comments from interested parties on a wide range of issues regarding the meaning and implementation of the statutory amendment.

On April 18, 1980 the Commission initiated the formal rulemaking process and held public hearings during the week of May 12, 1980 in Boston, Amherst, Barnstable and Pittsfield. The Regulation became effective on July 31, 1980 and substantially deregulated the cable industry in the Commonwealth. Rate regulation for "basic" cable charges was suspended for 70% of the Massachusetts cable subscribers.

Educational Seminars

During 1979 and 1980 the Commission held Cable Licensing Seminars for Municipal Officials and Cable Advisory Committees. They were considered a big help by those who attended.

Advisory Opinions

The Commission took an active role in overseeing the cable licensing process in the Commonwealth by issuing several informative advisory opinions. Most notably, the Commission clarified the state law relative to newspaper and cable television system crossownership in an opinion dated April 15, 1980; and took a firm regulatory stance in a May 2, 1980 opinion regarding offers of in-kind benefits by cable companies to municipalities involved in the licensing process. The Commission in fiscal year 1980 continued to be responsive to inquiries and requests of municipal officials and maintained its position that protection of consumer interests is the paramount concern of the Commission.

Commission Publications

The Commission has recently introduced several new publications of interest to consumers, local officials and cable companies. The Cable Licensing Process in Massachusetts, which is a practical guide for municipal officials and cable advisory committees has been very well-received by the communities. Community Programming on Massachusetts Cable Systems is seen as a first step by the Commission toward an expanded role in the area of community programming. Another publication dealing with community programming is CHANNEL, a newsletter, which has had a successful debut in November of 1981. Along with various cable statistical reports, the Commission continues to publish the Licensing Bulletin. Plans for a consumer pamphlet are presently in the design stages.

Cable Appeals

Since the beginning of 1979, there have been formal challenges to the cable licensing processes in twenty one communities, including one Commission investigation. The Commission conducts adjudicatory proceedings on these cases, using the standard rules of adjudicatory practice and procedure, issues formal written decisions after holding hearings. Of the appeals filed during this period, two were withdrawn before the Commission issued a decision; two were denied on procedural grounds; two were denied on the merits; two licenses were revoked after hearings on the merits; and six are still pending. Of those six, two are likely to be settled by the parties, resulting in revocation of those licenses. The one Commission investigation also led to the revocation of a license.

Massachusetts Cable Data

31 Cable franchises were awarded during 1981, and so far during 1982, 39 cable franchises have been awarded. As of September 10, 1982 123 communities have operating cable systems, 30 communities have cable systems under construction, and 30 communities could be starting construction at any time. An additional 67 communities are involved in cable franchising. Within two years most communities will have granted cable franchises in Massachusetts. Please see graph on next page for subscriber growth.

The cable television industry is one of the fastest growing industries in the country today.

II. The Commission is presently funded for 9 positions. Our fiscal year 1983, appropriation for subsidiary 01 is \$205,653.

The Commission's FY₈₄ agency total request agency total is \$249,344. With that funding, the Commission will continue to serve municipal officidals, cable advisory committees and all consumers as quickly and efficiently as always.

III. Goals and Objectives

The following information is a list of the Commission's fiscal year 1984 goals and objectives.

- 1) Oversight of cable franchising activity to insure protection of public interest. Publish Licensing Bulletin and sponsor educational seminars for municipal officials on a regular basis.
- 2) Increase our capability to respond to consumer complaints and inquiries as numbers of subscribers predictably increase.
- 3) Monitor the implementation of cable subscriber rate suspension rules throughout the Commonwealth.
- 4) Establish regulations governing the license renewal process for cable systems.

- 5) Expand our role with regard to community programming. Publish a community programming newsletter and sponsor a community programming seminar.
- 6) Develop a cable related in-house library for Massachusetts residents to foster awareness of community programming in particular and cable in general.
- 7) Take the leadership role in the implementation of municipal interconnect to promote maximum use of cable for educational purposes.
- 8) Implementation of the new Commission regulations on cable license renewals.

IV. Revenues

This agency collects revenues (license fees of .80 per subscriber) pursuant to Chapter 166A§9as amended. The commission estimates that \$486,900 will be collected during fiscal year 1984. This represents a 32% increase over estimated revenues for fiscal year 1982.

